

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
PUBLIC ASSISTANCE GRANTS PROGRAM
FOR THE YEAR ENDED
JUNE 30, 2008
REPORTING PACKAGE

DATE RECEIVED:



AUDIT REVIEW #(s) 04801

Assigned To: Price

Date Reviewed: 7/23/09

Reviewer's Initials: HP

Date Review(s) Completed: 7/23/09



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
PUBLIC ASSISTANCE GRANTS PROGRAM**

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Schedule of Expenditures of Federal Awards	2
Notes to Schedule of Expenditures of Federal Awards.....	3
Independent Auditors' Report on Compliance with Requirements Applicable to the Federal Program and on Internal Control over Compliance in Accordance with the Program Specific Audit Option Under OMB Circular A-133	4 - 5
Schedule of Findings and Questioned Costs	6
Summary Schedule of Prior Audit Findings	7

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1
PUBLIC ASSISTANCE GRANTS PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2008**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Department of Homeland Security- Federal Emergency Management Agency Pass-Through Governor's Office of Emergency Services Public Assistance Grants	97.036	\$ 932,969

See notes to this schedule

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1
PUBLIC ASSISTANCE GRANTS PROGRAM
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity for the Public Assistance Grants Program of Santa Ynez River Water Conservation District, Improvement District No. 1 and is presented on the accrual basis of accounting.

The program period covers expenditures made during the fiscal year ended June 30, 2008, which have been reimbursed or are expected to be reimbursed under the federal award program.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE PROGRAM SPECIFIC AUDIT OPTION
UNDER OMB CIRCULAR A-133**

**To the Board of Trustees
Santa Ynez River Water Conservation District,
Improvement District No. 1:**

Compliance

We have audited the compliance of Santa Ynez River Water Conservation District, Improvement District No. 1 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to the Public Assistance Grants Program for the year ended June 30, 2008. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Santa Ynez River Water Conservation District, Improvement District No. 1's management. Our responsibility is to express an opinion on Santa Ynez River Water Conservation District, Improvement District No. 1's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Public Assistance Grants Program occurred. An audit includes examining, on a test basis, evidence about Santa Ynez River Water Conservation District, Improvement District No. 1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Santa Ynez River Water Conservation District, Improvement District No. 1's compliance with those requirements.

In our opinion, Santa Ynez River Water Conservation District, Improvement District No. 1 complied, in all material respects, with the requirements referred to above that are applicable to its Public Assistance Grants Program for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Santa Ynez River Water Conservation District, Improvement District No. 1 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Santa Ynez River Water Conservation District, Improvement District No. 1's internal control over compliance with requirements that could have a direct and material effect on its Public Assistance Grants Program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the Santa Ynez River Water Conservation District, Improvement District No. 1's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, management and the federal awarding agency and pass-through entity and is not intended to be and should not be used by anyone other than these specified parties

Bartlett, Pringle & Wolf LLP

March 19, 2009

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1
PUBLIC ASSISTANCE GRANTS PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended June 30, 2008

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- | | | | | | | |
|---|-------|-----|-------|---|-------|----|
| • Material weakness(es) identified? | _____ | Yes | _____ | X | _____ | No |
| • Significant deficiency(ies) identified
that are not considered to be material
weakness(es)? | _____ | Yes | _____ | X | _____ | No |

Noncompliance material to financial
statements noted?

_____ Yes _____ X _____ No

Federal Awards

Internal control over the program:

- | | | | | | | |
|---|-------|-----|-------|---|-------|----|
| • Material weakness(es) identified? | _____ | Yes | _____ | X | _____ | No |
| • Significant deficiency(ies) identified
that are not considered to be material
weaknesses? | _____ | Yes | _____ | X | _____ | No |

Type of auditor's report issued on compliance for the program: Unqualified

- | | | | | | | |
|--|-------|-----|-------|---|-------|----|
| • Any audit findings disclosed that are
required to be reported in accordance
with section 510(a) of Circular A-133? | _____ | Yes | _____ | X | _____ | No |
|--|-------|-----|-------|---|-------|----|

II. Financial Statement Findings

No matters were reported.

III. Findings and Questioned Costs for Federal Awards

No matters were reported.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1
PUBLIC ASSISTANCE GRANTS PROGRAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For Year Ended June 30, 2008

The prior year program specific audit disclosed no findings and no uncorrected or unresolved findings exist from the prior audit.